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MEMORANDUM FOR THE RECORD

SUBJECT: Headquarters Briefing for Representatives of the Mexico City American Chamber of Commerce.

1. This memorandum is for your information only.
2. The above meeting took place on 2 May in the conference room of the Headquarters building. The following members of the Chamber attended the meeting:
 - 1) Mr. James C. Oliver, member of the Board of Trustees University of the Americas and on publicity committee the American Chamber of Commerce in Mexico.
 - 2) Mr. Willard E. Beeson, member of the Deltec Banking Corporation, Mexico City.
 - 3) Mr. Lester M. Bealoy, director general of Compania Mexico de Aviacion.
 - 4) Mr. John Lumpkin, partner, Arthur Anderson Company, Mexico City.
 - 5) Mr. Judd Austin, lawyer, Mexico City.
 - 6) Mr. McNeil Stringer, president, Stringer & Associates, Mexico City.
 - 7) Mr. A. R. Wickrich, executive with Royal Crown Cola.
3. The meeting convened at 1:45 p.m. and terminated three hours later. Introductory remarks to the group were made by IDEH A who also introduced the speaker, IDEH B. The other participant was IDEH C of WH/1. IDEH B gave a general and lucid exposition on Cuban communist activities in Latin America and on the Soviet presence in Mexico. Towards the latter half of the meeting the discussion was turned on developments in Mexico and the United States Chamber of Commerce participants were asked to express their views on the following:

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(a) PRI - The prevailing opinion was that the PRI is a stabilizing influence within the country and that its solidarity and effectiveness is increasing. Should the PRI be seriously undermined the country would suffer serious disorders. The PRI is presently undergoing a transitional period and is perfecting its mechanism for gauging "grass roots" opinion. It is essential that it succeed in this effort since the public at large has become in the last decade more sophisticated and more articulate. The main, all-important objective of the PRI is to maintain the "Faro Social".

(b) Presidential Elections (1970) - The prevailing opinion was that it is too early to say with a degree of certainty who will succeed to the presidency. As it is known traditionally, at least in three instances, the minister of Gobernacion has been the "designado" (the designated one). However, at this juncture some felt that the more likely candidate would be the mayor of Mexico City, Corona del Local. The general feeling was that the successor to President Diaz Ordaz would be a liberal, to counterbalance his conservative regime. There was general agreement that the "Inner Council" would not make a decision concerning the presidential candidate until 1969 at the earliest.

(c) "The Inner Council" - The group was unanimous in the conviction that national policy is formulated by the president with a small powerful committee, composed principally of non-official members. Mr. Oliver was convinced that the powerful banking circles of Mexico have membership in this council. He pointed out that this is a logical certainty "since the banks controlled about 60% of all industry in the country." Others were unanimous that certain leading industrialists and commercial interest also were part of the Inner Council. The participants were unable to specify any single person as being a member of the council and were unable to describe this Inner Council with any degree of certainty although several well-known business leaders were mentioned as possibilities, such as Bruno Pagliai, Carlos Trouyet and Manuel Iglesias Espinosa.

(d) The RAMPARTS Furor - Mr. Oliver volunteered the observation that the RAMPARTS exposure as it was played in the Mexican press did not have any upsetting results in Mexico as far as he could tell. He said that WOFACT handled the situation "extremely well" and observed that WOFACT's public relations officers must be of the highest caliber. He also said that the prevailing opinion among Mexicans concerning these exposures was simply: "So what?"

(e) El Dia - Several of the members were of the opinion that the most influential paper within Mexico, at least for government officials and other people who may be termed opinion makers, is the newspaper El Dia, which has a circulation of approximately 40,000 daily. The newspaper is leftist in tone and generally outspoken on important domestic and international matters.

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(r) The QFLOWAGE - The group was generally critical of the effectiveness of the QFLOWAGE mission in Mexico. Some among the group had direct dealings in the recent past with QFLOWAGE officers and felt that they were ineffectual and unresponsive. The group voiced the opinion that they would welcome close cooperation with WOPACT mission in Mexico and even expressed the hope that occasional round-table meetings, such as the one today, could be scheduled in Mexico City. It was generally agreed that this was probably not feasible.

4. The general opinion among the group was that this meeting was highly useful to them and the group expressed its gratitude for the efforts of the WOPACT officers.

5. IDEM A closed the meeting with the remark that it be considered confidential and not be made the subject of conversation with others outside the group.

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DRS A - Mr. W. J. Kasten

DD B - Mr. Thomas J. Flores 03

DEER C - Mr. Stephen G. Chaconas } 103